

## Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03

DODE-00 EB-11 FPC-01 H-03 INR-11 INT-08 L-03 NSAE-00

NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20

STR-08 TRSE-00 FRB-03 FEA-02 PA-04 PRS-01 USIA-15

DRC-01 /170 W

----- 090362

R 031202Z AUG 74

FM AMEMBASSY KUWAIT

TO USDOC WASHDC

SECSTATE WASHDC 0418

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

C O N F I D E N T I A L KUWAIT 3239

BEIRUT PASS BAGHDAD

E.O. 11652: GDS

TAGS: BMEP, ENRG, EIND, KU

SUBJECT: KUWAIT TO HAVE ETHYLENE PLANT

REF: (A) KUWAIT 2816 (B) KUWAIT 2808 (C) KUWAIT 2181

(D) KUWAIT 1808 (E) KUWAIT 0585

SUMMARY: RECENT CONVERSATIONS WITH MINISTRY FINANCE & OIL  
OFFICIALS INDICATE KUWAIT WILL GO IT ALONE ON CONSTRUCTION  
OF AN ETHYLENE PLANT HERE BUT WILL ALSO LIKELY JOINT-VENTURE WITH  
FOREIGN COMPANIES ON MORE SOPHISTICATED PETROCHEMICAL PROJECTS  
IN THE FUTURE. KUWAITIS HAVE RECEIVED A NUMBER OF SUCH PRO-  
POSALS, MOST RECENTLY ON PETROPROTEIN PROJECT FROM MR. AGNEW.

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END SUMMARY.

1. IN DISCUSSION ABOUT FORTHCOMING LPG PROJECT WITH SENIOR MFO OFFICIAL, EMBOFF ASKED ABOUT KUWAIT'S PLANS FOR UTILIZATION ETHANE PRODUCED BY PLANT. OFFICIAL SAID IT WOULD DEFINITELY NOT BE WASTED. WHEN PRESSED IF THIS MEANT ETHYLENE PLANT WOULD BE CONSTRUCTED, HE ANSWERED AFFIRMATIVELY BUT INDICATED KUWAIT WOULD PROBABLY UNDERTAKE THE PROJECT IN THE SAME MANNER AS THEIR LPG PROJECT, I.E., EMPLOYING INTERNATIONAL CONSULTANTS AND CONTRACTORS BUT WITHOUT ACCEPTING ANY FOREIGN EQUITY PARTNERS.

2. THIS INFO WAS LATER SUPPORTED BY ANOTHER KNOWLEDGEABLE SOURCE.

3. COMMENT: KUWAITIS HAVE RECEIVED SEVERAL MAJOR PETRO-CHEMICAL PROPOSALS (SEE REFTELS), THE MOST RECENT OF WHICH CAME FROM MR. SPIRO AGNEW WHO TALKED WITH MINISTER ATEEQY AND OTHERS ON HIS STAFF ABOUT A JOINT VENTURE PETROPROTEIN PROJECT FOR KUWAIT WHICH WOULD UTILIZE ETHYL ALCOHOL TO MANUFACTURE THE PROTEINS, ALTHOUGH OTHERS HAVE ALREADY PROPOSED SUCH A PROJECT (REF E).

4. KNOWLEDGEABLE U.S. ENGINEERS HAVE TOLD US AN ETHYLENE PLANT MAKES THE MOST ECONOMIC SENSE AS KUWAIT'S FIRST POST-LPG VENTURE INTO PETROCHEMICAL MANUFACTURE. IT NOW APPEARS INCREASINGLY LIKELY THIS INITIAL COURSE KUWAITIS WILL FOLLOW, ALTHOUGH CERTAINLY APPROVAL FOR OTHER PETROCHEMICAL PROJECTS BOTH RELATED AND UNRELATED TO ETHYLENE PRODUCTION WILL FOLLOW.  
STOLTZFUS

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, CHEMICAL INDUSTRY, INDUSTRIAL PLANTS, JOINT VENTURES  
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**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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**Subject:** KUWAIT TO HAVE ETHYLENE PLANT  
**TAGS:** ENRG, EIND, KU  
**To:** COM STATE  
**Type:** TE  
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